

UPDATE FROM ETHICS, RISK AND COMPLIANCE OFFICE

BOARD MEETING

Maria Thestrup

6-7 December 2023, Accra, Ghana

Annual Risk and Assurance Report 2023

Top 10 Risks 2023	Risk Level Evolution Since 2023	Effectiveness of completed mitigations
A Country Management Capacity	↑	N/A
B VPD outbreaks	↑	Moderate
C Limited introductions of new vaccines	↓	N/A
D Sustainable transition and backsliding risk	↓	Strong
E Supply shortages, disruption and stockouts	↑	N/A
F Decrease in donor funding / 6.0 Replenishment	↑	Strong
G Misuse of funds	↑	Strong
H Engagement with CSOs and local partners	=	Strong
I Cybersecurity risk	↑	Strong
J Secretariat capacity and capabilities versus future corporate priorities and growing complexity	=	Strong

Other Risks to Monitor

- K

Health Systems Strengthening

↓
- L

Data quality and availability

=
- M

Sub-optimally planned & implemented campaigns

=
- N

Adverse events of vaccines & erosion of Gavi reputation

▶
- O

Finance operational challenges

=
- P

Self-Financing Participants' Close-out

↓
- Q

Treasury Risks

▶
- R

Gavi's Alliance health, capacities & capabilities

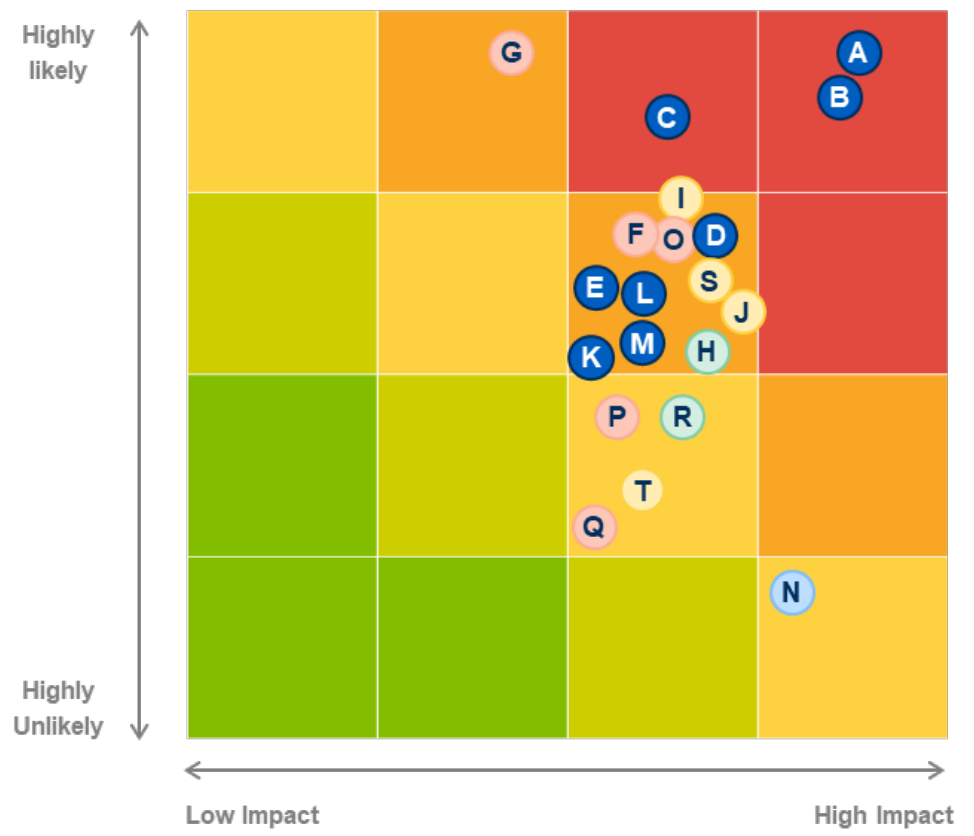
↓
- S

Culture & unethical conduct

▶
- T

Secretariat disruption

↓



Annual Risk and Assurance Report 2023



- Five programmatic risks have been selected among our Top 10. Among them, **VPD (vaccine preventable diseases) outbreaks** risk has the most noticeable increase from high to very high, bringing the risk outside of Gavi's risk appetite, and **Country Management Capacity** remains the most elevated risk and is outside of Gavi's risk appetite.



- Risks related to **misuse of funds** and **decreased donor funding** have been selected among the Top 10 and remain High. Three other financial risks are considered relevant to monitor (among Top 20): Finance operations challenges (High), SFP close-out (Medium) and Treasury risks (Medium).



- Risk related to **engagement with CSOs and local partners** remains High with increased legal, financial and reputational risks, as well as transaction costs. The risk related to **degraded Alliance health and insufficient Alliance capacities and capabilities** is rated as Medium with a decreasing trend due to proactive mitigations by Gavi and Alliance Partners



- Risks related to **Secretariat capacity, capabilities and processes** and **cybersecurity risks** remain High and among our Top 10. Two other organizational risks related to **culture and conduct** (new), and to **Secretariat disruption** are rated respectively as High and Medium (among Top 20).



- A new risk related to **adverse events of vaccines and Alliance reputation** is rated as Medium and is among our Top 20.



Proposed Amendments to the Risk Appetite Statement



1

Urgent need to rescind Gavi's increased risk acceptance of outbreaks



2

Ongoing need for timeliness and quality of campaigns



3

Need to assume a higher risk appetite for low quality campaigns beyond 'fragile' and 'emergency' contexts



4

Reflect operational cost support for outbreak response

- **Reducing Risk Appetite level for VPD outbreaks from Balanced to Low** to reflect the urgent need to rescind Gavi's increased risk acceptance of outbreaks.
- **Deleting** the following sentence: *'It furthermore acknowledges that reducing reliance on frequent and disruptive planned campaigns (as described above) may require a higher acceptance of the risk of outbreaks in the short-term'*, that is not applicable anymore given current outbreaks data and context.
- **Maintaining current risk appetite (low)** for campaigns undermining routine immunisation of being of low quality
- **Adding the word 'and timing'** at the end of the following sentence: *"It also has in general a low appetite for the risk of such supplementary campaigns being of low quality due to sub-optimal planning, ~~and~~ implementation **and timing**", upon advice of the Measles & Rubella Partnership (MRP).*
- **Revisiting the following sentence by adding "and emergency" and "and otherwise"**: *'However, the Alliance may need to assume a higher level of risk in the case of fragile and emergency settings and otherwise where routine immunisation coverage is very low and unlikely to improve in the shorter term, and in ~~emergency~~ situations where immunity gaps need to be closed.'*
- **Adding the terms 'and operational support'** in the following sentence: *'The Alliance aims to [...] funding of global stockpiles and operational support for outbreak response and investments in disease surveillance.'*

Recommendation

The Gavi Alliance Audit and Finance Committee **recommends** to the Gavi Alliance Board that it:

- a) **Approve** the draft Risk and Assurance Report 2023 as set out in Annex A to Doc 08;
- b) **Approve** the updated Risk Appetite Statement as set out in Annex B to Doc 08.

Thank you